

DIVISION 7. FINANCIAL RESPONSIBILITY LAWS

CHAPTER 1. COMPULSORY FINANCIAL RESPONSIBILITY

(Repealed and added Ch. 1409, Stats. 1974. Effective January 1, 1975.)

Article 1. Accident Reports

(Repealed and added Ch. 1409, Stats. 1974. Effective January 1, 1975.)

Accident Report

16000. (a) The driver of every motor vehicle who is in any manner involved in an accident originating from the operation of a motor vehicle on any street or highway or any reportable off-highway accident defined in Section 16000.1 that has resulted in damage to the property of any one person in excess of () **seven hundred fifty dollars (\$750)** or in bodily injury or in the death of any person shall, within 10 days after the accident, report the accident, either personally or through an insurance agent, broker, or legal representative, on a form approved by the department to the office of the department at Sacramento, subject to the provisions of this chapter. The driver shall identify on the form, by name and current residence address, if available, any person involved in the accident complaining of bodily injury.

(b) A report is not required pursuant to subdivision (a) if the motor vehicle involved in the accident was owned or leased by, or under the direction of, the United States, this state, another state, or a local agency. .

Amended Ch. 1247, Stats. 1994. Effective January 1, 1995.

Amended Sec. 63, Ch. 1154, Stats. 1996. Effective September 30, 1996.

Amended Sec. 4, Ch. 601, Stats. 1998. Effective January 1, 1999.

Amended Sec. 1, Ch. 84, Stats. 2001. Effective July 19, 2001.

Amended Sec. 4, Ch. 766, Stats. 2002. Effective January 1, 2003.

The 2002 amendment added the italicized material, and at the point(s) indicated, deleted the following "five hundred dollars (\$500)"

Reportable Off-Highway Accident

16000.1. (a) For purposes of this division, a "reportable off-highway accident" means an accident which includes all of the following:

- (1) Occurs off the street or highway.
- (2) Involves a vehicle that is subject to registration under this code.
- (3) Results in damages to the property of any one person in excess of () **seven hundred fifty dollars (\$750)** or in bodily injury or in the death of any person.

(b) A "reportable off-highway accident" does not include any accident which occurs off-highway in which damage occurs only to the property of the driver or owner of the motor vehicle and no bodily injury or death of a person occurs.

Amended Sec. 5, Ch. 766, Stats. 2002. Effective January 1, 2003.

The 2002 amendment added the italicized material, and at the point(s) indicated, deleted the following "five hundred dollars (\$500) "

Uninsured Motor Vehicle

16000.7. As used in this division an "uninsured motor vehicle" is a motor vehicle for which financial responsibility as provided in Section 16021 was not in effect at the time of the accident.

Added Ch. 549, Stats. 1979. Effective January 1, 1980.

Evidence of Financial Responsibility: Failure to Provide Due to Acts of Insurance Agent or Broker

16000.8. (a) Notwithstanding any other provision of this chapter, if the failure of the driver of a motor vehicle involved in an accident to prove the existence of financial responsibility, as required by Section 16020, was due to the fraudulent acts of an insurance agent or broker, the department shall terminate any suspension action taken pursuant to Section 16070, when

both of the following conditions are met:

(1) The driver provides documentation from the Department of Insurance that the insurance agent or broker has been found to have committed fraud in the transaction of automobile liability insurance, or provides documentation that criminal charges have been filed against the agent or broker due to fraud or theft related to the sale of automobile liability insurances.

(2) The driver furnishes proof to the department that financial responsibility meeting the requirements of Section 16021 is currently in effect.

(b) It is the intent of the Legislature in enacting this section that individuals who are the victims of insurance fraud not be penalized for violating the financial responsibility laws when that violation was due to the fraudulent acts of others. Persons with documented evidence of fraud involving their insurance coverage, such as where an insurance agent accepted the premium payment for coverage but willfully failed to obtain the coverage and led the customer to believe insurance was in effect, should retain their driving privileges provided they give evidence that valid liability insurance is currently in effect.

Added Sec. 6, Ch. 1155, Stats. 1996. Effective January 1, 1997.

Driverless Runaway Vehicle

16001. If the vehicle involved was a driverless runaway vehicle and was parked with the express or implied permission of the registered owner, the registered owner of the vehicle shall be construed to have been the driver of the vehicle for the purposes of this chapter.

Repealed and added Ch. 1409, Stats. 1974. Effective January 1, 1975, with no change in content.

Vehicle of Employer: Vehicle of Publicly Owned or Operated Transit System

16002. (a) If the driver at the time of the accident was driving a motor vehicle owned, operated, or leased by the employer of the driver and with the permission of the employer, then the driver shall within five days after the accident report the accident to his employer on a form approved by the employer. Within 10 days after receipt of the report the employer shall transmit a report on a form approved by the department to the office of the department at Sacramento, except that an employer need not transmit such report when the vehicle involved in the accident is owned or operated as described in Section 16051 or 16052, or is owned or operated by any person or corporation who has filed with the department a certificate of an insurance carrier or surety company that there is in effect a policy or bond meeting the requirements of Section 16056 and when such policy or bond is in force with respect to the vehicle at the time of the accident.

(b) The driver of a vehicle that is owned or operated by a publicly owned or operated transit system, or that is operated under contract with a publicly owned or operated transit system, and that is used to provide regularly scheduled transportation to the general public or for other official business of the system shall, within 10 days of the occurrence of the accident, report to the transit system any accident of a type otherwise required to be reported pursuant to subdivision (a) of Section 16000. The transit system shall maintain records of any report filed pursuant to this paragraph. Within 10 days after receipt of the report, the transit system shall transmit a report on a form approved by the department to the office of the department in Sacramento, except that a transit system is not required to submit a report when the vehicle involved in the accident is owned or operated as described

in subdivision (b) of Section 16000.

Amended Sec. 2, Ch. 84, Stats. 2001. Effective July 19, 2001.

Driver Incapacity

16003. If any driver is physically incapable of making the report, and is not the owner of the motor vehicle involved in the accident, the owner shall, as soon as he learns of the accident, report the matter in writing to the department.

Repealed and added Ch. 1409, Stats. 1974. Effective January 1, 1975.

Mandatory Suspension of License

16004. (a) The department shall suspend the driving privilege of any person who fails, refuses, or neglects to make a report of an accident as required in this chapter.

(b) A suspension taken under this section shall remain in effect until terminated by receipt of the report of the accident or upon receipt of evidence that financial responsibility as provided in Section 16021 is in effect.

(c) The driving privilege shall not be suspended under this section, and, if a suspension has been imposed and is in effect under this section, that suspension shall be terminated, if the driving privilege is suspended under Section 16370 or 16381 as the result of a judgment arising out of the same accident for which the report of the accident is required by this section. The department may suspend or reimpose the suspension of the driving privilege of a person under this section if the suspension under Section 16370 or 16381 is later set aside for a reason other than that the person has satisfied the judgment in full or to the extent provided in Chapter 2 (commencing with Section 16250) and has given proof of financial responsibility as provided in Chapter 3 (commencing with Section 16430).

Amended Ch. 314, Stats. 1990. Effective July 17, 1990.

Use of Reports

16005. (a) All reports and supplemental reports required by this chapter including insurance information forms shall be without prejudice to the individual so reporting and shall be for the confidential use of the department and any other state department requiring such information, except that the department shall upon request disclose from the reports:

(1) The names and addresses of persons involved in the accident.

(2) The registration numbers and descriptions of vehicles involved in the accident.

(3) The date, time, and location of the accident.

(4) Any suspension action taken by the department.

(5) The names and addresses of insurance carriers.

(b) The information specified in subdivision (a) may be given to any person having a proper interest therein, including:

(1) The driver or drivers involved, or the employer, parent, or legal guardian thereof.

(2) The authorized representative of any person involved in the accident.

(3) Any person injured in the accident.

(4) The owners of vehicles or property damaged in the accident.

(5) Any law enforcement agency.

(6) Any court of competent jurisdiction.

Repealed and added Ch. 1409, Stats. 1974. Effective January 1, 1975.

Article 2. Financial Responsibility

Evidence of Financial Responsibility

16020. (a) Every driver and every owner of a motor vehicle shall at all times be able to establish financial responsibility pursuant to Section 16021,

and shall at all times carry in the vehicle evidence of the form of financial responsibility in effect for the vehicle.

(b) “Evidence of financial responsibility” means any of the following:

(1) A form issued by an insurance company or charitable risk pool, as specified by the department pursuant to Section 4000.37.

(2) If the owner is a self-insurer, as provided in Section 16052 or a depositor, as provided in Section 16054.2, the certificate of self-insurance or the assignment of deposit letter issued by the department.

(3) An insurance covering note or binder pursuant to Section 382 or 382.5 of the Insurance Code.

(4) A showing that the vehicle is owned or leased by, or under the direction of, the United States or any public entity, as defined in Section 811.2 of the Government Code.

(c) For purposes of this section, “evidence of financial responsibility” also may be obtained by a law enforcement officer from an electronic reporting system when that system becomes available for use by law enforcement officers.

(d) For purposes of this section, “evidence of financial responsibility” also includes any of the following:

(1) The name of the insurance company and the number of an insurance policy or surety bond that was in effect at the time of the accident or at the time that evidence of financial responsibility is required to be provided pursuant to Section 16028, if that information is contained in the vehicle registration records of the department.

(2) The identifying motor carrier of property permit number issued by the Department of the California Highway Patrol to the motor carrier of property as defined in Section 34601, and displayed on the motor vehicle in the manner specified by the Department of the California Highway Patrol.

(3) The identifying number issued to the household goods carrier, passenger stage carrier, or transportation charter party carrier by the Public Utilities Commission and displayed on the motor vehicle in the manner specified by the commission.

(4) The identifying number issued by the Interstate Commerce Commission or its successor federal agency, if proof of financial responsibility must be presented to the issuing agency as part of the identification number issuance process, and displayed on the motor vehicle in the manner specified by the issuing agency.

(e) Evidence of financial responsibility does not include any of the identification numbers in paragraph (1), (2), (3), or (4) of subdivision (d) if the carrier is currently suspended by the issuing agency for lack or lapse of insurance or other form of financial responsibility.

Amended and repealed Sec. 4, Ch. 1126, Stats. 1996. Effective January 1, 1997. Repeal operative January 1, 2000, or upon the date determined by the director pursuant to paragraph (2) of subdivision (a) of Section 1680, whichever is later.

Amended Sec. 10, Ch. 652, Stats. 1997. Effective January 1, 1998.

Amended Sec. 8, Ch. 880, Stats. 1999. Effective January 1, 2000.

Amended Sec. 20, Ch. 1035, Stats. 2000. Effective January 1, 2001.

Amended Sec. 14, Ch. 825, Stats. 2001. Effective January 1, 2002.

Lifeline Policies: Inapplicability of Certain Financial Responsibility Requirements to the County of Los Angeles

16020.1. (a) On and after () ***January 1, 2007***, Section 4000.37 does not apply to vehicle owners with a residence address in the County of Los Angeles at the time of registration renewal.

(b) On and after () ***January 1, 2007***, subdivisions (a) and (b) of Section 16028 do not apply to a person who drives a motor vehicle upon a highway in the County of Los Angeles.

Added Sec. 3, Ch. 794, Stats. 1999. Effective January 1, 2000.

Amended Sec. 21, Ch. 1035, Stats. 2000. Effective January 1, 2001.

Amended Sec. 1, Ch. 666, Stats. 2002. Effective January 1, 2003.

The 2002 amendment added the italicized material, and at the point(s) indicated, deleted the following "January 1, 2004"

Low-Cost Policies: Inapplicability of Certain Financial Responsibility Requirements to the City and County of San Francisco

16020.2. (a) On and after () ***January 1, 2007***, Section 4000.37 does not apply to vehicle owners with a residence address in the City and County of San Francisco at the time of registration renewal.

(b) On and after () ***January 1, 2007***, subdivisions (a) and (b) of Section 16028 do not apply to a person who drives a motor vehicle upon a highway in the City and County of San Francisco.

Added Sec. 3, Ch. 807, Stats. 1999. Effective January 1, 2000.

Amended Sec. 22, Ch. 1035, Stats. 2000. Effective January 1, 2001.

Amended Sec. 2, Ch. 666, Stats. 2002. Effective January 1, 2003.

The 2002 amendment added the italicized material, and at the point(s) indicated, deleted the following "January 1, 2004"

Financial Responsibility: Vanpools

16020.3. Notwithstanding any other provision of law, any employer that owns a vanpool vehicle, as described in paragraph (1) of subdivision (c) of Section 17149 of the Revenue and Taxation Code, shall maintain evidence of financial responsibility with respect to that vehicle in the same form and amount as described in Section 5391.2 of the Public Utilities Code.

Added Ch. 622, Stats. 1994. Effective January 1, 1995.

Establishing Financial Responsibility

16021. Financial responsibility of the driver or owner is established if the driver or owner of the vehicle involved in an accident described in Section 16000 is:

(a) A self-insurer under the provisions of this division.

(b) An insured or obligee under a form of insurance or bond which complies with the requirements of this division and which covers the driver for the vehicle involved in the accident.

(c) The United States of America, this state, any municipality or subdivision thereof, or the lawful agent thereof.

(d) A depositor in compliance with subdivision (a) of Section 16054.2.

(e) A obligee under a policy issued by a charitable risk pool which complies with subdivision (b) of Section 16054.2.

(f) In compliance with the requirements authorized by the department by any other manner which effectuates the purposes of this chapter.

Amended Sec. 23, Ch. 1035, Stats. 2000. Effective January 1, 2001.

Mandatory Exchange of Information

16025. (a) Every driver involved in the accident shall, unless rendered incapable, exchange with any other driver or property owner involved in the accident and present at the scene, all of the following information:

(1) Driver's name and current residence address, driver's license number, vehicle identification number, and current residence address of registered owner.

(2) Evidence of financial responsibility, as specified in Section 16020. If the financial responsibility of a person is a form of insurance, then that person shall supply the name and address of the insurance company and the number of the insurance policy.

(b) Any person failing to comply with all of the requirements of this section is guilty of an infraction.

Amended Sec. 10, Ch. 880, Stats. 1999. Effective January 1, 2000.

Refund of Cash Deposit

16027. (a) Whenever proof of financial responsibility has been established under subdivision (a) of Section 16054.2 and a period of four years has elapsed following the effective date of the suspension, the cash deposit, or any balance thereof remaining, shall be refunded to the person entitled thereto, if the director is satisfied that there are no outstanding or pending claims against the deposit.

(b) If the deposit, or any balance thereof, is refundable under this section but remains unclaimed by the depositor or any other person entitled thereto for a period of six years from the effective date of the suspension, the unclaimed deposit shall be transferred to the Motor Vehicle Account in the State Transportation Fund.

Amended Ch. 619, Stats. 1985. Effective January 1, 1986.

Evidence of Financial Responsibility Upon Request

16028. (a) Upon the demand of a peace officer pursuant to subdivision (b) or upon the demand of a peace officer or traffic collision investigator pursuant to subdivision (c), every person who drives a motor vehicle upon a highway shall provide evidence of financial responsibility for the vehicle that is in effect at the time the demand is made. However, a peace officer shall not stop a vehicle for the sole purpose of determining whether the vehicle is being driven in violation of this subdivision.

(b) Whenever a notice to appear is issued for any alleged violation of this code, except a violation specified in Chapter 9 (commencing with Section 22500) of Division 11 or any local ordinance adopted pursuant thereto, the cited driver shall furnish written evidence of financial responsibility upon request of the peace officer issuing the citation. The peace officer shall request and write the driver's evidence of financial responsibility on the notice to appear, except when the peace officer is unable to write the driver's evidence of financial responsibility on the notice to appear due to an emergency that requires his or her presence elsewhere. If the cited driver fails to provide evidence of financial responsibility at the time the notice to appear is issued, the peace officer may issue the driver a notice to appear for violation of subdivision (a). The notice to appear for violation of subdivision (a) shall be written on the same citation form as the original violation.

(c) Whenever a peace officer, or a regularly employed and salaried employee of a city or county who has been trained as a traffic collision investigator, is summoned to the scene of an accident described in Section 16000, the driver of any motor vehicle that is in any manner involved in the accident shall furnish written evidence of financial responsibility upon the request of the peace officer or traffic collision investigator. If the driver fails to provide evidence of financial responsibility when requested, the peace officer may issue the driver a notice to appear for violation of this subdivision. A traffic collision investigator may cause a notice to appear to be issued for a violation of this subdivision, upon review of that citation by a peace officer.

(d) (1) If, at the time a notice to appear for a violation of subdivision (a) is issued, the person is driving a motor vehicle owned or leased by the driver's employer, and the vehicle is being driven with the permission of the employer, this section shall apply to the employer rather than the driver. In that case, a notice to appear shall be issued to the employer rather than the driver, and the driver may sign the notice on behalf of the employer.

(2) The driver shall notify the employer of the receipt of the notice issued pursuant to paragraph (1) not later than five days after receipt.

(e) A person issued a notice to appear for a violation of subdivision (a) may

personally appear before the clerk of the court, as designated in the notice to appear, and provide written evidence of financial responsibility in a form consistent with Section 16020, showing that the driver was in compliance with that section at the time the notice to appear for violating subdivision (a) was issued. In lieu of the personal appearance, the person may submit by mail to the court written evidence of having had financial responsibility at the time the notice to appear was issued. Upon receipt by the clerk of that written evidence of financial responsibility in a form consistent with Section 16020, further proceedings on the notice to appear for the violation of subdivision (a) shall be dismissed.

Added and repealed Sec. 6, Ch. 1126, Stats. 1996. Effective January 1, 1997.

Amended Sec. 16, Ch. 945, Stats. 1997. Effective January 1, 1998.

Amended Sec. 11, Ch. 880, Stats. 1999. Effective January 1, 2000.

Amended Sec. 15, Ch. 825, Stats. 2001. Effective January 1, 2002.

No Evidence of Financial Responsibility: Penalties

16029. Notwithstanding any other provision of law, a violation of subdivision (a) of Section 16028 is an infraction and shall be punished as follows:

(a) Upon a first conviction, by a fine of not less than one hundred dollars (\$100) and not more than two hundred dollars (\$200), plus penalty assessments.

(b) Upon a subsequent conviction, occurring within three years of a prior conviction, by a fine of not less than two hundred dollars (\$200) and not more than five hundred dollars (\$500), plus penalty assessments.

(c) (1) At the discretion of the court, for good cause, and in addition to the penalties specified in subdivisions (a) and (b), the court may order the impoundment of the vehicle for which the owner could not produce evidence of financial responsibility in violation of subdivision (a) of Section 16028.

(2) A vehicle impounded pursuant to paragraph (1) shall be released to the legal owner of the vehicle or the legal owner's agent if all of the following conditions are met:

(A) The legal owner is a motor vehicle dealer, bank, credit union, acceptance corporation, or other licensed financial institution legally operating in this state.

(B) The legal owner or the legal owner's agent pays all towing and storage fees related to the seizure of the vehicle.

(C) The legal owner or the legal owner's agent presents foreclosure documents or an affidavit of repossession for the vehicle.

(3) (A) A legal owner or the legal owner's agent that obtains release of the vehicle pursuant to paragraph (2) shall not release the vehicle to the registered owner of the vehicle or any agents of the registered owner, unless the registered owner is a rental car agency, except upon presentation of evidence of financial responsibility, as defined in Section 16020, for the vehicle. The legal owner or the legal owner's agent shall make every reasonable effort to ensure that the evidence of financial responsibility that is presented is valid.

(B) Prior to relinquishing the vehicle, the legal owner may require the registered owner to pay all towing and storage charges related to impoundment and any administrative charges authorized under Section 22850.5 that were incurred by the legal owner in connection with obtaining custody of the vehicle.

(4) A vehicle impounded under paragraph (1) shall be released to a rental car agency if the agency is either the legal owner or the registered owner of the vehicle and the agency pays all towing and storage fees related to the seizure of the vehicle.

(5) A vehicle impounded under paragraph (1) shall be released to the registered owner of the vehicle only upon presentation of evidence of financial responsibility, as defined in Section 16020, for that vehicle, and evidence that all towing and storage fees related to the seizure of the vehicle are paid.

This paragraph does not apply to a person, entity, or agency who is entitled to release of a vehicle under paragraph (2) or (4) and is either:

(A) The registered and the legal owner and is described in subparagraph (A) of paragraph (2).

(B) The registered owner or legal owner and is described in paragraph (4).

(d) It is the intent of the Legislature that fines collected pursuant to this section be used to reduce the number of uninsured drivers and not be used to generate revenue for general purposes.

(e) (1) Except as provided in this subdivision, the court shall impose a fine that is greater than the minimum fine specified in subdivision (a) or (b), and may not reduce that fine to the minimum specified fine authorized under those provisions, unless the defendant has presented the court with evidence of financial responsibility, as defined in Section 16020, for the vehicle. In no event may the court impose a fine that is less than the minimum specified in subdivision (a) or (b), or impose a fine that exceeds the maximum specified fine authorized under those subdivisions. In addition to the fine authorized under subdivision (a) or (b), the court may issue an order directing the defendant to maintain insurance coverage satisfying the financial responsibility laws for at least one year from the date of the order.

(2) Notwithstanding any other provision of law, the imposition of the fine required under subdivision (a) or (b) is mandatory upon conviction of a violation of subdivision (a) of Section 16028 and may not be waived, suspended, or reduced below the minimum fines, unless the court in its discretion reduces or waives the fine based on the defendant's ability to pay. The court may direct that the fine and penalty assessments be paid within a limited time or in installments on specified dates. The Legislature hereby declares that it is in the interest of justice that the minimum fines set forth in subdivisions (a) and (b) for these offenses be enforced by the court, as provided in this subdivision.

Added and repealed Sec. 7, Ch. 1126, Stats. 1996. Effective January 1, 1997.

Amended Sec. 12, Ch. 880, Stats. 1999. Effective January 1, 2000.

False Evidence of Financial Responsibility: Penalties

16030. (a) Except as provided in subdivision (c), any person who knowingly provides false evidence of financial responsibility (1) when requested by a peace officer pursuant to Section 16028 or (2) to the clerk of the court as permitted by subdivision (e) of Section 16028, including an expired or canceled insurance policy, bond, certificate of self-insurance, or assignment of deposit letter, is guilty of a misdemeanor punishable by a fine not exceeding seven hundred fifty dollars (\$750) or imprisonment in the county jail not exceeding 30 days, or by both that fine and imprisonment. Upon receipt of the court's abstract of conviction, the department shall suspend the driving privilege, effective upon the date of conviction, for a period of one year. The court shall impose an interim suspension of the person's driving privileges pursuant to Section 13550, and shall notify the driver of the suspension pursuant to Section 13106, and all driver's licenses in the possession of the driver shall be surrendered to the court pursuant to Section 13550. Any driver's license surrendered to the court pursuant to this section shall be transmitted by the court, together with the required report of the conviction, to the department within 10 days of the conviction. The suspension may not be terminated until one year has elapsed from the date

of the suspension and until the person files proof of financial responsibility, as provided in Chapter 3 (commencing with Section 16430) except that the suspension shall be reinstated if the person fails to maintain proof of financial responsibility for three years.

(b) However, in lieu of suspending a person's driving privileges pursuant to subdivision (a), the court shall restrict the person's driving privileges to driving that is required in the person's course of employment, if driving of a motor vehicle is necessary in order to perform the duties of the person's primary employment. The restriction shall remain in effect for the period of suspension otherwise required by subdivision (a). The court shall provide for endorsement of the restriction on the person's driver's license, and violation of the restriction constitutes a violation of Section 14603 and grounds for suspension or revocation of the license under Section 13360.

(c) This section does not apply to a driver who is driving a motor vehicle owned or leased by the employer of the driver and driven in the course of the driver's employment with the permission of the employer.

Added and repealed Sec. 8, Ch. 1126, Stats. 1996. Effective January 1, 1997.
Amended Sec. 13, Ch. 880, Stats. 1999. Effective January 1, 2000.

Nonliability for False or Incorrect Financial Responsibility Information

16033. No public entity or employee, agent, or any person or organization authorized under Section 4610 to endorse receipts or validate registration cards or potential registration cards, is liable for any loss, detriment, or injury resulting, directly or indirectly, from any of the following:

(a) Failure to request evidence of financial responsibility.

(b) Failure to notify a vehicle owner that an insurance policy has been terminated.

(c) The discretionary failure to cancel, suspend, or revoke a vehicle registration when an insurance policy has been terminated.

(d) Inaccurately recording that evidence under Section 16028 or as a result of the driver producing false or inaccurate financial responsibility information.

Added and repealed Sec. 9, Ch. 1126, Stats. 1996. Effective January 1, 1997.
Amended Sec. 14, Ch. 880, Stats. 1999. Effective January 1, 2000.

Article 3. Evidence of Financial Responsibility
Amended Sec. 11, Ch. 739, Stats. 2001. Effective January 1, 2002.

Establishing Evidence of Financial Responsibility

16050. In order to establish evidence of financial responsibility, every driver or employer involved in an accident and required to report the accident under Section 16000 shall establish to the satisfaction of the department that the provisions of this Article are applicable to his or her responsibilities arising out of the accident.

Amended Sec. 12, Ch. 739, Stats. 2001. Effective January 1, 2002.

Financial Responsibility: Furnishing Information

16050.5. The owner of a vehicle, who has a liability insurance policy with respect to the vehicle, shall, upon request, furnish insurance information to a person who, while operating the vehicle with the owner's permission, is involved in a reportable accident with the insured vehicle, or to the department whenever the department is required to establish whether the permitted driver meets the financial responsibility requirements of Section 16020.

Amended Ch. 1177, Stats. 1991. Effective October 14, 1991.

Publicly Owned Vehicles

16051. Evidence may be established by filing a report indicating that the motor vehicle involved in the accident was owned or leased by or under the direction of the United States, this state, or any political subdivision of this state or municipality thereof.

Amended Sec. 13, Ch. 739, Stats. 2001. Effective January 1, 2002.

Self-Insurer

16052. Evidence may be established if the owner of the motor vehicle involved in the accident was a self-insurer. Any person in whose name more than 25 motor vehicles are registered may qualify as a self-insurer by obtaining a certificate of self-insurance issued by the department as provided in this article.

Amended Sec. 14, Ch. 739, Stats. 2001. Effective January 1, 2002.

Certificate of Self-Insurance

16053. (a) The department may in its discretion, upon application, issue a certificate of self-insurance when it is satisfied that the applicant in whose name more than 25 motor vehicles are registered is possessed and will continue to be possessed of ability to pay judgments obtained against him or her in amounts at least equal to the amounts provided in Section 16056. The certificate may be issued authorizing the applicant to act as a self-insurer for either property damage or bodily injury or both. Any person duly qualified under the laws or ordinances of any city or county to act as self-insurer and then acting as such, may upon filing with the department satisfactory evidence thereof, along with the application as may be required by the department, be entitled to receive a certificate of self-insurance.

(b) Upon not less than five days' notice and a hearing pursuant to the notice, the department may upon reasonable grounds cancel a certificate of self-insurance. Failure to pay any judgment within 30 days after the judgment has become final and has not been stayed or satisfied shall constitute a reasonable ground for the cancellation of a certificate of self-insurance.

Amended Ch. 1177, Stats. 1991. Effective October 14, 1991.

Insurance Policy or Bond

16054. (a) Evidence may be established by filing with the department satisfactory documentation:

(1) That the owner had an automobile liability policy, a motor vehicle liability policy, or bond in effect at the time of the accident with respect to the driver or the motor vehicle involved in the accident, unless it is established that at the time of the accident the motor vehicle was being operated without the owner's permission, express or implied, or was parked by a driver who had been operating the vehicle without permission.

(2) That the driver of the motor vehicle involved in the accident, if he or she was not the owner of the motor vehicle, had in effect at the time of the accident an automobile liability policy or bond with respect to his or her operation of the motor vehicle not owned by him or her.

(3) That the liability as may arise from the driver's operation of the motor vehicle involved in the accident is, in the judgment of the department, covered by some form of liability insurance or bond.

(4) That the owner or driver, if he or she is involved in an accident while operating a vehicle of less than four wheels, had in effect at the time of the accident with respect to the driver or vehicle a liability policy or bond that meets the requirements of Section 16056.

(b) Any automobile liability policy or bond referred to in this section shall

comply with the requirements of Section 16056 and Sections 11580, 11580.011, 11580.1, and 11580.2 of the Insurance Code, but need not contain provisions other than those required by those sections, and shall not be governed by Chapter 3 (commencing with Section 16430).

Amended Sec. 2, Ch. 183, Stats. 1999, Effective January 1, 2000.

Amended Sec. 15, Ch. 739, Stats. 2001, Effective January 1, 2002.

Other Forms of Financial Responsibility

16054.2. Evidence may also be established by any of the following:

(a) By depositing with the department cash in the amount specified in Section 16056.

(b) By providing documentation of a liability policy covering the operation of the vehicle that (A) is issued by a charitable risk pool operating under Section 5005.1 of the Corporations Code, if the registered owner of the vehicle is a nonprofit organization that is exempt from taxation under paragraph (3) of subsection (c) of Section 501 of the United States Internal Revenue Code and (B) the policy is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than fifteen thousand dollars (\$15,000) because of bodily injury to or death of one person in any one accident and, subject to that limit for one person, to a limit of not less than thirty thousand dollars (\$30,000) because of bodily injury to or death of two or more persons in any one accident, and, if the accident has resulted in injury to, or destruction of property, to a limit of not less than five thousand dollars (\$5,000) because of injury to or destruction of property of others in any one accident.

(c) By any other manner authorized by the department which effectuates the purposes of this chapter.

Amended Sec. 24, Ch. 1035, Stats. 2000, Effective January 1, 2001.

Amended Sec. 16, Ch. 739, Stats. 2001, Effective January 1, 2002.

Evidence of Insurance or Bond Coverage

16055. Evidence of insurance or bond shall be submitted by the insurer or surety in conformance with the requirements of Section 16057. In the event of notice to the department by the company that issued one of the above stated policies or bonds that coverage was not in effect, then the policy or bond shall not operate to establish evidence as provided for by Section 16054.

Amended Sec. 17, Ch. 739, Stats. 2001, Effective January 1, 2002.

Requirements of Policy or Bond

16056. (a) No policy or bond shall be effective under Section 16054 unless issued by an insurance company or surety company admitted to do business in this state by the Insurance Commissioner, except as provided in subdivision (b) of this section, nor unless the policy or bond is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than fifteen thousand dollars (\$15,000) because of bodily injury to or death of one person in any one accident and, subject to that limit for one person, to a limit of not less than thirty thousand dollars (\$30,000) because of bodily injury to or death of two or more persons in any one accident, and, if the accident has resulted in injury to, or destruction of property, to a limit of not less than five thousand dollars (\$5,000) because of injury to or destruction of property of others in any one accident.

(b) No policy or bond shall be effective under Section 16054 with respect to any vehicle which was not registered in this state or was a vehicle which was registered elsewhere than in this state at the effective date of the policy or bond or the most recent renewal thereof, unless the insurance company or surety company issuing the policy or bond is admitted to do business in this

state, or if the company is not admitted to do business in this state, unless it executes a power of attorney authorizing the department to accept service on its behalf of notice or process in any action upon the policy or bond arising out of an accident mentioned in subdivision (a).

(c) Any nonresident driver whose driving privilege has been suspended or revoked based upon an action that requires proof of financial responsibility may, in lieu of providing a certificate of insurance from a company admitted to do business in California, provide a written certificate of proof of financial responsibility that is satisfactory to the department, covers the operation of a vehicle in this state, meets the liability requirements of this section, and is from a company that is admitted to do business in that person's state of residence.

Amended Sec. 64, Ch. 1154, Stats. 1996. Effective September 30, 1996.

Amended Sec. 25, Ch. 1035, Stats. 2000. Effective January 1, 2001.

Low Cost Insurance Policies: Use as Proof

16056.1. (a) Notwithstanding the coverage limits specified in Section 16056, an automobile insurance policy described in Sections 11629.71 and 11629.91 of the Insurance Code shall be effective under Section 16054 when issued by an insurance company admitted to do business in this state by the Insurance Commissioner and the policy is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than ten thousand dollars (\$10,000) because of bodily injury to or death of one person in any one accident and, subject to that limit for one person, to a limit of not less than twenty thousand dollars (\$20,000) because of bodily injury to or death of two or more persons in any one accident, and if the accident has resulted in injury to, or destruction of property, to a limit of not less than three thousand dollars (\$3,000) because of injury to or destruction of property of others in any one accident.

(b) This section shall remain in effect only until () ***January 1, 2007***, and as of that date is repealed, unless a later enacted statute, which is enacted on or before () ***January 1, 2007***, deletes or extends that date.

Added and repealed Sec. 26, Ch. 1035, Stats. 2000. Effective January 1, 2001. Repeal operative January 1, 2004.

Amended Sec. 15, Ch. 742, Stats. 2002. Effective January 1, 2003.

The 2002 amendment added the italicized material, and at the point(s) indicated, deleted the following "January 1, 2004"

NOTE: The preceding section shall remain in effect only until January 1, 2007, and as of that date is repealed.

Notice by Insurer to the Department

16057. Upon receipt of notice of an accident from the department, the insurance company or surety company named in the notice shall notify the department within such time and in such manner as the department may require whenever the policy or bond was not in effect at the time of the accident.

Repealed and added Ch. 1409, Stats. 1974. Effective January 1, 1975.

Article 4. Suspensions

Suspension of Driving Privilege

16070. (a) Whenever a driver involved in an accident described in Section 16000 fails to provide evidence of financial responsibility, as required by Section 16020, at the time of the accident, the department shall, pursuant to subdivision (b), suspend the privilege of the driver or owner to drive a motor vehicle, including the driving privilege of a nonresident in this state.

(b) Whenever the department receives an accident report pursuant to this

Article that alleges that any of the drivers involved in the accident was not in compliance with Section 16020 at the time of the accident, the department shall immediately mail to that driver a notice of intent to suspend the driving privilege of that driver. The department shall suspend the driving privilege 30 days after mailing the notice, unless the driver has, prior to that date, established evidence of financial responsibility at the time of the accident, as specified in Section 16021, with the department. The suspension notice shall notify the driver of the action taken and the right to a hearing under Section 16075.

Amended and repealed Sec. 10, Ch. 1126, Stats. 1996. Effective January 1, 1997.

Amended Sec. 15, Ch. 880, Stats. 1999. Effective January 1, 2000.

Amended Sec. 18, Ch. 739, Stats. 2001. Effective January 1, 2002.

Suspension by Another State

16071. The department shall suspend the driving privilege of any person upon receiving notice from another state that the person's driving privilege in that state has been suspended for failure to meet the financial responsibility provisions of the law in that state, if the suspension in that state was taken on grounds that would have resulted in a suspension in this state.

Amended and repealed Sec. 12, Ch. 1126, Stats. 1996. Effective January 1, 1997.

Amended Sec. 17, Ch. 880, Stats. 1999. Effective January 1, 2000.

Period of Suspension: Restriction Alternative

16072. (a) The suspension of the driving privilege of a person as provided in Section 16070 shall not be terminated until one year has elapsed from the date of actual commencement of the suspension and until the person files proof of financial responsibility as provided in Chapter 3 (commencing with Section 16430), except that the suspension shall be reinstated if the person fails to maintain proof of financial responsibility for three years. However, in lieu of suspending a person's driving privilege pursuant to this section, the department may, upon application, if the person files and thereafter maintains proof of financial responsibility as provided in this section and pays a penalty fee to the department of two hundred fifty dollars (\$250), restrict the person's driving privilege to any of the following situations:

(1) Necessary travel to and from that person's place of employment.

(2) Driving that is required in the person's course of employment, when driving a motor vehicle is necessary in order to perform the duties of the person's primary employment.

(3) Necessary travel to transport a minor dependent in that person's immediate family to and from an institute of primary or secondary education, if the chief administrative officer or principal of the educational institution certifies in writing to the department that the minor dependent is enrolled in the educational institution and no form of public transportation or schoolbus is available between the applicant's place of residence and the educational institution.

The restriction shall remain in effect for the period of suspension required by this section, so long as proof of financial responsibility is maintained.

(b) If a suspension has been imposed under Section 16070 and one year has elapsed from the date the suspension actually commenced, that suspension shall be terminated if the driving privilege is suspended under Section 16370 or 16381 as the result of a judgment arising out of the accident for which proof of financial responsibility was required to be established. The department may reimpose the suspension of the driving privilege of a person under Section 16070 if the suspension under Section 16370 or 16381 is later set aside for a reason other than that the person has satisfied the judgment

in full or to the extent provided in Chapter 2 (commencing with Section 16250) and has given proof of ability to respond in damages as provided in Chapter 3 (commencing with Section 16430).

(c) Notwithstanding Chapter 2 (commencing with Section 42200) of Division 18, all revenues derived from the penalty fees provided in subdivision (a) shall, after deduction by the department of the costs incurred by the department in the administering of this section, be deposited in the Financial Responsibility Penalty Account in the General Fund. The balance in this fund on July 1, which is not subject to appropriation as provided in Section 12980 of the Insurance Code, shall revert to the General Fund.

Amended Ch. 1407, Stats. 1990. Effective January 1, 1991.

Course of Employment: Exemption

16073. The privilege of a person employed for the purpose of driving a motor vehicle for compensation whose occupation requires the use of a motor vehicle in the course of his employment to drive a motor vehicle not registered in his name and in the course of his employment shall not be suspended under this chapter even though his privilege to drive is otherwise suspended under this chapter.

Added Ch. 1409, Stats. 1974. Effective January 1, 1975.

Correction of Errors

16074. Whenever the department has taken any action or has failed to take any action under this chapter by reason of having received erroneous information, or by reason of having received no information, it shall take appropriate action to carry out the purposes and effect of this chapter upon receiving correct information.

Added Ch. 1409, Stats. 1974. Effective January 1, 1975.

Notice and Hearing

16075. (a) The suspension provisions of this Article shall not apply to a driver or owner until 30 days after the department sends to the driver or owner notice of its intent to suspend his or her driving privilege, pursuant to subdivision (b) of Section 16070, and advises the driver or owner of his or her right to a hearing as hereinafter provided.

(b) If the driver or owner receiving the notice of intent to suspend wishes to have a hearing, the request for a hearing shall be made in writing to the department within 10 days of the receipt of the notice. Failure to respond to a notice of intent within 10 days of receipt of the notice () ¹ is a waiver of the person's right to a hearing.

(c) If the driver or owner makes a timely request for a hearing, the department shall hold the hearing before the effective date of the suspension to determine the applicability of this chapter to the driver or owner, including a determination of whether:

(1) The accident has resulted in property damage in excess of () ² **seven hundred fifty dollars (\$750)**, or bodily injury, or death.

(2) The driver or owner has established financial responsibility, as provided in Article 3 (commencing with Section 16050), was in effect at the time of the accident.

(d) A request for a hearing does not stay the suspension of a person's driving privilege. However, if the department does not conduct a hearing and make a determination pursuant thereto within the time limit provided in subdivision (b) of Section 16070, the department shall stay the effective date of the order of suspension pending a determination.

(e) The hearing provided for by this section shall be held in the county of residence of the person requesting the hearing. () ³ **The** hearing shall be

conducted pursuant to Article 3 (commencing with Section 14100) of Chapter 3 of Division 6.

(f) The department shall render its decision within 15 days after conclusion of the hearing.

Amended Ch. 668, Stats. 1992. Effective January 1, 1993.

Amended Sec. 6, Ch. 766, Stats. 2002. Effective January 1, 2003.

The 2002 amendment added the italicized material, and at the point(s) indicated, deleted the following:

1. " "
2. "five hundred dollars (\$500)"
3. "Such"

Restriction Alternative: Notification

16076. (a) The department shall notify every person whose driving privilege is suspended, pursuant to Section 16070, of that person's right to apply for a restricted driving privilege authorized under Section 16072.

(b) For purposes of subdivision (a), the department shall prepare and publish a printed summary. The printed summary may contain, but is not limited to, the following wording:

"If your driving privilege is suspended due to involvement in an accident while you were uninsured, you may apply for a restricted license at any office of the Department of Motor Vehicles, accompanied with proof of financial responsibility, payment of a penalty fee of two hundred fifty dollars (\$250), and, unless already paid, payment of a reissuance fee of fifteen dollars (\$15). The suspension will not be terminated if any other suspension or revocation action has been taken against your driving privilege."

The Mello-McAlister Restricted Employment Driving Privilege Act allows you to apply for a driver's license limiting you to driving to and from work, and during the course of your primary employment, during the one-year mandatory term of suspension. The restricted license will not be issued if any other suspension or revocation action has been taken against your driving privilege."

(c) This section shall be known and may be cited as the Mello-McAlister Restricted Employment Driving Privilege Act.

Amended Ch. 1156, Stats. 1988. Effective November 30, 1988.

Restricted Medical Treatment

16077. (a) The department, upon application and payment of a fifty dollar (\$50) fee and a penalty fee of two hundred dollars (\$200), may issue a restricted license to an applicant with serious health problems, or to an applicant with an immediate family member with serious health problems, when the applicant's privilege to drive is otherwise suspended under this chapter. The restricted license may be issued to enable the applicant to drive a motor vehicle for the purpose of receiving medical or mental health treatments of a prolonged and repetitive nature for the applicant or the member of the applicant's immediate family with serious health problems, if the applicant files and maintains proof of financial responsibility on file with the department pursuant to Section 16021 and there is no other suitable means of transportation available.

(b) The application shall set forth the nature of the health problem, the nature of the treatments, the duration and location of the treatments, and the schedule for visits. The applicant shall submit documentation signed by the treating physician and surgeon or licensed psychotherapist, as defined in subdivision (a), (b), (c), and (e) of Section 1010 of the Evidence Code as necessary to assist the department in its decision to grant or deny the restricted license. Upon reviewing the application, the department may determine that an investigation as to the person's fitness to operate a motor vehicle is warranted. If the department makes this determination, the

department may conduct an investigation in a manner provided for in Chapter 3 (commencing with Section 13800) of Division 6.

(c) In reviewing the application, the department shall give due consideration to the circumstances set forth in the application and shall be guided by principles of fairness and humanity.

(d) Notwithstanding Chapter 2 (commencing with Section 42200) of Division 18, all revenues derived from the penalty fees provided in subdivision (a) shall, after deduction by the department of the costs incurred by the department in administering this section, be deposited in the Financial Responsibility Penalty Account in the General Fund.

Amended Ch. 1410, Stats. 1990. Effective January 1, 1991.

Driver's License Restriction: Alternative Application

16078. Any person who has paid the penalty fee prescribed in subdivision (a) of Section 16072, whether or not the person has received the license restriction authorized by that section, may also apply for and receive a restricted license under Section 16077 without paying the fees prescribed in Section 16077. Any person who has paid the fees prescribed in subdivision (a) of Section 16077, whether or not the person has received the restricted license authorized by that section, may also apply for and receive the license restriction prescribed in Section 16072.

Added Ch. 1407, Stats. 1990. Effective January 1, 1991.

CHAPTER 2. SUSPENSIONS FOLLOWING UNSATISFIED JUDGMENTS

Article 1. Definitions

Judgment Defined

16250. As used in this chapter and Chapter 3 (commencing with Section 16430), "judgment" means a final judgment of any court of competent jurisdiction in this or any other state or of the United States against a person as defendant upon a cause of action.

Amended Ch. 1324, Stats. 1984. Effective July 1, 1985.

Cause of Action Defined

16251. As used in this chapter and Chapter 3 (commencing with Section 16430), "cause of action" means any cause of action for damage to property in excess of () ***seven hundred fifty dollars (\$750)*** or for damage in any amount on account of bodily injury to or death of any person resulting from the operation by the defendant or any other person of any motor vehicle upon a highway in this state, except a cause of action based upon statutory liability by reason of signing application of a minor for a driver's license.

Amended Sec. 7, Ch. 766, Stats. 2002. Effective January 1, 2003.

The 2002 amendment added the italicized material, and at the point(s) indicated, deleted the following "five hundred dollars (\$500)"

Article 2. Suspension of Driving Privilege

Judgment Unsatisfied

16370. The department shall suspend the privilege of any person to operate a motor vehicle upon receiving a certified copy of a judgment, or a certified copy of the register of actions (or a comparable court record of another jurisdiction) in an action resulting in a judgment for damages, and a certificate of facts relative to the judgment, on a form provided by the department, indicating that the person has failed for a period of 30 days to satisfy a judgment rendered against him or her.

Amended Sec. 10, Ch. 44, Stats. 2001. Effective January 1, 2002.

Small Claims Court Judgment

16370.5. The department shall suspend the privilege of any person to operate a motor vehicle as specified in Section 116.870 of the Code of Civil Procedure. Except as provided in this section, an action brought under Section 116.870 of the Code of Civil Procedure shall not be governed by Chapter 2 (commencing with Section 16250) of Division 7.

Amended Ch. 1305, Stats. 1990. Effective January 1, 1991.

Fee

16370.7. Documents filed with the department pursuant to Section 16370 shall be accompanied by a fee of not to exceed twenty dollars (\$20) to pay for processing the documents and issuing the suspension order.

Added Ch. 395, Stats. 1988. Effective August 11, 1988.

Period of Suspension

16371. The suspension shall remain in effect, and no license shall be issued to the judgment debtor until the judgment debtor gives proof of financial responsibility as provided in Chapter 3 (commencing with Section 16430), and until either the judgment is satisfied in full or to the extent provided in this chapter, subject to the exemption provided in Section 16375.

Amended Ch. 1157, Stats. 1989. Effective January 1, 1990.

Court Report of Judgments

16373. (a) The clerk of a court shall, subject to subdivision (b), issue upon the request of a judgment creditor a certified copy of any judgment or a certified copy of the register of actions in an action resulting in a judgment for damages, and a certificate of facts relative to the judgment on a form provided by the department.

(b) The judgment creditor may pay the required fees and request the documents specified in subdivision (a) upon the expiration of 30 days after the judgment has become final, if the judgment has not been stayed or satisfied within the amounts specified in this chapter as shown by the records of the court. The court shall determine the required fees, which shall be commensurate with the cost incurred by the court in carrying out this section.

Amended Sec. 11, Ch. 44, Stats. 2001. Effective January 1, 2002.

Judgments Not Covered by Proof

16374. Whenever after a judgment is satisfied and proof of financial responsibility is given, another judgment is rendered against the same person for any accident occurring prior to the date of the giving of the proof and the person fails to satisfy the latter judgment within the amounts specified in this chapter within 15 days after the latter judgment became final, then the department shall again suspend the driver's license of the judgment debtor and shall not issue to him or her any driver's license while the latter judgment remains unsatisfied and subsisting within the amounts specified in this chapter.

Amended Ch. 1157, Stats. 1989. Effective January 1, 1990.

Affidavit of Insurance

16375. Any person whose driver's license has been suspended, or is about to be suspended or shall become subject to suspension under this chapter, may relieve himself from the effect of the judgment by filing with the department an affidavit stating that at the time of the accident upon which the judgment has been rendered he was insured, that the insurer is liable to pay such judgment, and the reason, if known, why the insurance company has not paid the judgment. He shall also file the original policy of insurance

or a certified copy thereof, if available, and such other documents as the department may require to show that the loss, injury, or damage for which the judgment was rendered, was covered by the policy of insurance.

If the department is satisfied from such papers that the insurer was authorized to issue the policy of insurance in this State at the time of issuing the policy and that such insurer is liable to pay such judgment, at least to the extent and for the amounts provided in this chapter, the department shall not suspend the license, or if already suspended, shall reinstate it.

Amended Ch. 714, Stats. 1974. Effective January 1, 1975.

Action Against Nonresident

16376. (a) If the person against whom judgment is rendered is a nonresident and the person fails within the prescribed time to satisfy the judgment in full or to the extent specified in this chapter, all privileges of operating a motor vehicle in this state given to the person under this code shall be suspended while the judgment remains in effect and unsatisfied and until the nonresident gives proof of his or her financial responsibility in the manner and to the extent provided in Chapter 3 (commencing with Section 16430) for accidents occurring after the date of the giving of proof.

(b) The department shall forward a certified copy of the judgment of a court of record to the appropriate officer in charge of the licensing of drivers in the state of which the person is a resident.

Amended Ch. 1157, Stats. 1989. Effective January 1, 1990.

Amended Sec. 12, Ch. 44, Stats. 2001. Effective January 1, 2002.

When Judgment Deemed Satisfied

16377. Every judgment shall for the purposes of this chapter be deemed satisfied:

(a) When fifteen thousand dollars (\$15,000) has been credited, upon any judgment in excess of that amount, or upon all judgments, collectively, which together total in excess of that amount, for personal injury to or death of one person as a result of any one accident.

(b) When, subject to the limit of fifteen thousand dollars (\$15,000) as to one person, the sum of thirty thousand dollars (\$30,000) has been credited, upon any judgment in excess of that amount, or upon all judgments, collectively, which together total in excess of that amount, for personal injury to or death of more than one person as a result of any one accident.

(c) When five thousand dollars (\$5,000) has been credited, upon any judgment in excess of that amount, or upon all judgments, collectively, each of which is in excess of () **seven hundred fifty dollars (\$750)**, and which together total in excess of five thousand dollars (\$5,000), for damage to property of others as a result of any one accident.

(d) When the judgment debtor or a person designated by him **or her** has deposited with the department a sum equal to the amount of the unsatisfied judgment for which the suspension action was taken and presents proof, satisfactory to the department, of inability to locate the judgment creditor.

Amended Sec. 8, Ch. 766, Stats. 2002. Effective January 1, 2003.

The 2002 amendment added the italicized material, and at the point(s) indicated, deleted the following "five hundred dollars (\$500)"

Disposition of Money Deposited

16378. Money deposited pursuant to subdivision (d) of Section 16377 shall be:

(a) Deposited by the department in the special deposit fund with the State Treasurer.

(b) Payable to the judgment creditor upon presentation of a valid claim establishing that he is the judgment creditor for which the deposit was made

and that the judgment remains unsatisfied.

(c) Refunded to the person making the deposit or to a person designated by him if the deposit remains unclaimed by the judgment creditor for a period of two years following the date of the deposit.

(d) The State Controller shall draw his warrant on the State Treasurer for any payment ordered pursuant to this section as ordered by the department.

Added Ch. 1525, Stats. 1965. Effective September 17, 1965.

Installment Payments of Judgments

16379. (a) The department shall not suspend a license and shall restore any suspended license following nonpayment of a final judgment when the judgment debtor gives proof of financial responsibility for future damages and when the trial court in which the judgment was rendered orders the payment of the judgment in installments and while the payment of any installment payment is not in default.

(b) Whenever the trial court orders the payment of a judgment in installments as provided in this section, upon payment of the required fees by the judgment creditor, it shall forward a certified copy of the order to the department, together with a certified copy of the judgment or a certified copy of the register of actions in an action resulting in a judgment for damages and a certificate of facts relative to the judgment on a form provided by the department.

(c) The court shall determine the required fees, which shall be commensurate with the cost incurred by the court in carrying out the provisions of this section.

Amended Sec. 13, Ch. 44, Stats. 2001. Effective January 1, 2002.

Conditions for Installment Payment

16380. The trial court may order the payment of a judgment in installments only when the defendant is not insured or the insurance policy covering the automobile involved in the accident, for the ownership or operation of which the defendant is held liable, is not sufficient to pay the amount of the judgment, and then only as to such portion of the judgment not covered by the insurance policy. The order shall fix the amounts and times of payment of the installments and shall be without prejudice to any other legal remedies available to the judgment creditor.

Renumbered Ch. 211, Stats. 1967. Effective November 8, 1967.

Default in Payments

16381. In the event that it is made to appear to the court that the judgment debtor has failed to pay any installment as permitted by the order of the court, upon the payment of required fees by the judgment creditor, the court shall give notice of the default to the department and the department shall forthwith suspend the driving privilege of the judgment debtor until the judgment is satisfied as provided in this chapter. The court shall determine the required fees, which shall be commensurate with the cost incurred by the court in carrying out the provisions of this section.

Amended Ch. 362, Stats. 1981. Effective January 1, 1982.

CHAPTER 3. PROOF OF FINANCIAL RESPONSIBILITY

Article 1. Proof Requirements

Proof Required

16430. Proof of financial responsibility when required by this code means proof of financial responsibility resulting from the ownership or

operation of a motor vehicle and arising by reason of personal injury to, or death of, any one person, of at least fifteen thousand dollars (\$15,000), and, subject to the limit of fifteen thousand dollars (\$15,000) for each person injured or killed, of at least thirty thousand dollars (\$30,000) for the injury to, or the death of, two or more persons in any one accident, and for damages to property (in excess of () ***seven hundred fifty dollars (\$750)***), of at least five thousand dollars (\$5,000) resulting from any one accident. Proof of financial responsibility may be given in any manner authorized in this chapter.

Amended Sec. 9, Ch. 766, Stats. 2002. Effective January 1, 2003.

The 2002 amendment added the italicized material, and at the point(s) indicated, deleted the following "five hundred dollars (\$500)"

Proof by Certificate of Insurer

16431. (a) Proof of financial responsibility may be given by the written certificate or certificates of any insurance carrier duly authorized to do business within the state, that it has issued to or for the benefit of the person named therein a motor vehicle liability policy as defined in Section 16450, an automobile liability policy as defined in Section 16054, or any other liability policy issued for vehicles with less than four wheels that meets the requirements of Section 16056, which, at the date of the certificate or certificates is in full force and effect. Except as provided in subdivision (b), the certificate or certificates issued under any liability policy set forth in this section shall be accepted by the department and satisfy the requirements of proof of financial responsibility of this chapter. Nothing in this chapter requires that an insurance carrier certify that there is coverage broader than that provided by the actual policy issued by the carrier.

(b) The department shall require that a person whose driver's license has been revoked, suspended, or restricted pursuant to Section 13350, 13351, 13352, 13353, 13353.2, 13353.3, 13353.6, 13353.7, 16370, or 16370.5 provide, as proof of financial responsibility, a certificate or certificates which covers all motor vehicles registered to the person before reinstatement of his or her driver's license.

(c) Subdivision (b) does not apply to vehicles in storage if the current license plates and registration cards are surrendered to the department in Sacramento.

(d) (1) A resident of another state may provide proof of financial responsibility when required to do so under this code from a company authorized to do business in that person's state of residence, if that proof is satisfactory to the department, covers the operation of a vehicle in this state, and meets the minimum coverage limit requirements specified in Section 16056.

(2) If the person specified in paragraph (1) becomes a resident of this state during the period that the person is required to maintain proof of financial responsibility with the department, the department shall not issue or return a driver's license to that person until the person files a written certificate or certificates, as authorized under subdivision (a), that meets the minimum coverage limit requirements specified in Section 16056 and covers the period during which the person is required to maintain proof of financial responsibility.

Amended Sec. 66, Ch. 1154, Stats. 1996. Effective September 30, 1996.

Cancellation of Policy

16433. A certificate or certificates shall certify, if the liability policy therein cited has been canceled, that the department shall be notified in writing within 10 days after the cancellation of insurance becomes final.

Nothing in this section extends coverage beyond the date stated in the notice of cancellation.

Amended Ch. 314, Stats. 1990. Effective July 17, 1990.

Proof by Bond

16434. Proof of financial responsibility may be given by a bond. The bond shall be conditioned for the payment of the amount specified in Section 16430, and shall provide for the entry of judgment on motion of the state in favor of any holder of any final judgment on account of damages to property over () ***seven hundred fifty dollars (\$750)*** in amount, or injury to any person caused by the operation of the person's motor vehicle.

Amended Sec. 10, Ch. 766, Stats. 2002. Effective January 1, 2003.

The 2002 amendment added the italicized material, and at the point(s) indicated, deleted the following "five hundred dollars (\$500)"

Proof by Deposit of Money

16435. Proof of financial responsibility may be given by the deposit of thirty-five thousand dollars (\$35,000), as provided in Section 16054.2. The department shall not accept a deposit where any judgment theretofore obtained against that person as a result of damages arising from the operation of any motor vehicle shall not have been paid in full.

Amended Ch. 1157, Stats. 1989. Effective January 1, 1990.

Proof by Self-insurer

16436. Proof of financial responsibility may be given by the written certificate of a self-insurer holding a certificate of self- insurance for bodily injury and property damage issued by the department.

The certification shall name the employee in whose behalf it is filed and shall bind the self-insurer in a like manner and to the same amounts as provided for in Section 16430 for damages arising from the operation of a motor vehicle by the employee within the scope of his or her employment by the self-insurer. In that case, the department shall restrict any driver's license issued to the employee to the operation of motor vehicles owned by the self-insurer within the scope of his or her employment by the self-insurer.

The certificate shall be canceled upon 10 days' prior written notice to the department by the self-insurer.

Amended Ch. 1157, Stats. 1989. Effective January 1, 1990.

Article 2. Insurance Policy

Motor Vehicle Liability Policy

16450. A "motor vehicle liability policy," as used in Chapters 1 (commencing with Section 16000), 2 (commencing with Section 16250), and 4 (commencing with Section 16500), and this chapter, means an owner's policy or an operator's policy, or both, of liability insurance, certified as provided in Section 16431 as proof of financial responsibility, issued by an insurance carrier authorized to transact such business in this State to or for the benefit of the person named therein as assured. Any requirements set forth in Chapters 1 (commencing with Section 16000), 2 (commencing with Section 16250), and 4 (commencing with Section 16500), and this chapter relating to a motor vehicle liability policy shall apply only to those policies which have been certified as proof of financial responsibility as provided in Section 16431.

Amended Ch. 1157, Stats. 1989. Effective January 1, 1990.

Owner's Policy

16451. An owner's policy of motor vehicle liability insurance shall insure the named insured and any other person using any motor vehicle registered

to the named insured with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of ownership, maintenance, or use of the motor vehicle within the continental limits of the United States to the extent and aggregate amount, exclusive of interest and costs, with respect to each motor vehicle, of fifteen thousand dollars (\$15,000) for bodily injury to or death of each person as a result of any one accident and, subject to the limit as to one person, the amount of thirty thousand dollars (\$30,000) for bodily injury to or death of all persons as a result of any one accident and the amount of five thousand dollars (\$5,000) for damage to property of others as a result of any one accident.

Amended Ch. 1157, Stats. 1989. Effective January 1, 1990.

Operator's Policy

16452. An operator's policy of motor vehicle liability insurance shall insure the person named as insured therein against loss from the liability imposed on that person by law for damages arising out of use by that person of any motor vehicle not owned by that person, and for any subsequently acquired motor vehicle for a period not to exceed 10 days from date of purchase, within the same territorial limits and subject to the same limits of liability as are provided for in an owner's policy of liability insurance.

Amended Ch. 1157, Stats. 1989. Effective January 1, 1990.

Permitted Provisions

16453. Any motor vehicle liability policy may grant any lawful coverage in excess of or in addition to the coverage herein specified or contain any agreements, provisions or stipulations not in conflict with the provisions of this code and not otherwise contrary to law.

Workers' Compensation

16454. Any motor vehicle liability policy need not cover any liability for injury to the assured or any liability of the assured assumed by or imposed upon the assured under any workers' compensation law nor any liability for damage to property in charge of the assured or the assured's employees or agents.

Amended Ch. 1454, Stats. 1974. Effective January 1, 1975.

Stored Vehicles

16455. The provisions of Section 16451 shall not apply to vehicles in storage if the current license plates and registration cards are surrendered to the department in Sacramento.

Violation of Proof

16457. Whenever proof of financial responsibility is required to be filed pursuant to this chapter, no person of whom that proof is required shall drive any motor vehicle not covered by the certificate of proof of financial responsibility filed by him or her with the department, nor shall any applicant for that proof knowingly fail to disclose ownership of a motor vehicle in the application for proof of financial responsibility or to disclose any subsequently acquired motor vehicle.

Amended Sec. 180, Ch. 91, Stats. 1995. Effective January 1, 1996.

Amended and repealed Sec. 14, Ch. 1126, Stats. 1996. Effective January 1, 1997.

Amended Sec. 19, Ch. 880, Stats. 1999. Effective January 1, 2000.

Article 3. Release of Proof

Release of Proof

16480. (a) The department shall upon request or may at its own

discretion cancel any bond or any certificate of insurance, or the department shall direct the return to the person entitled thereto of any money or securities deposited pursuant to this code as proof of financial responsibility, or the department shall waive the requirement of filing proof of financial responsibility in any of the following events:

(1) When the person is no longer required to maintain the proof under the provisions of this code.

(2) At any time after three years from the date the proof was required.

(3) Upon the death of the person on whose behalf the proof was filed.

(4) The permanent incapacity of the person to operate a motor vehicle if the person surrenders for cancellation his or her driver's license to the department.

(b) The department shall not release proof filed by the bond of individual sureties as set forth in Section 16434, or if given in the manner prescribed by Section 16435, if any action for damages upon a liability referred to in this code is then pending or if any judgment upon any the liability is outstanding and unsatisfied. An affidavit of the applicant of the nonexistence of such facts shall be prima facie evidence thereof.

Amended Ch. 1157, Stats. 1989. Effective January 1, 1990.

Restoration of Privileges When Judgment Unsatisfied

16482. (a) Any person whose privilege to operate a motor vehicle has been suspended because of failure to satisfy a judgment and the judgment has been outstanding for a period of three years or more, may be relieved of the penalties therein provided and the privilege of the person to operate a motor vehicle may be restored in the event the person files with the department and thereafter maintains proof of financial responsibility notwithstanding that the judgment which gave rise to the order of suspension has not been paid or fully satisfied.

(b) Any person who has filed proof of financial responsibility as required for three years, or who has been eligible to file that proof for three years, may be relieved of the requirement of filing proof as provided in paragraph (2) of subdivision (a) of Section 16480.

Amended Ch. 1157, Stats. 1989. Effective January 1, 1990.

Substitution of Proof

16483. The department shall cancel any bond or any certificate of insurance or direct the return of any money or securities to the person entitled thereto, upon the substitution and acceptance of other adequate proof of financial responsibility pursuant to this code.

Amended Ch. 1157, Stats. 1989. Effective January 1, 1990.

Failure of Proof

16484. Except when a nonresident minor's certificate or minor's license is canceled as required by Sections 12504 and 17704, respectively, whenever any evidence of proof of financial responsibility filed by any person under the provisions of this code no longer fulfills the purpose for which required, the department shall require other evidence of financial responsibility as required by Article 1 (commencing with Section 16430) and shall suspend the privilege of the person to operate a motor vehicle upon a highway. The suspension shall remain in effect until adequate proof of financial responsibility is filed with the department by the person.

Amended Ch. 1157, Stats. 1989. Effective January 1, 1990.

CHAPTER 4. COMMERCIAL VEHICLES

Proof Required: Commercial Passenger Vehicles

16500. Every owner of a vehicle used in the transportation of passengers for hire, including taxicabs, when the operation of the vehicle is not subject to regulation by the Public Utilities Commission, shall maintain, whenever he or she may be engaged in conducting those operations, proof of financial responsibility resulting from the ownership or operation of the vehicle and arising by reason of personal injury to, or death of, any one person, of at least fifteen thousand dollars (\$15,000), and, subject to the limit of fifteen thousand dollars (\$15,000) for each person injured or killed, of at least thirty thousand dollars (\$30,000) for such injury to, or the death of, two or more persons in any one accident, and for damages to property of at least five thousand dollars (\$5,000) resulting from any one accident. Proof of financial responsibility may be maintained by either:

(a) Being insured under a motor vehicle liability policy against that liability.

(b) Obtaining a bond of the same kind, and containing the same provisions, as those bonds specified in Section 16434.

(c) By depositing with the department thirty-five thousand dollars (\$35,000), which amount shall be deposited in a special deposit account with the Controller for the purpose of this section.

(d) Qualifying as a self-insurer under Section 16053.

The department shall return the deposit to the person entitled thereto when he or she is no longer required to maintain proof of financial responsibility as required by this section or upon his or her death.

Amended Ch. 1157, Stats. 1989. Effective January 1, 1990.

Proof Required: Other Commercial Vehicles

16500.5. (a) Except as specified in subdivision (b), the owner of the following commercial vehicles shall maintain proof of financial responsibility in the amount required by the director:

(1) A vehicle used to carry passengers for hire, except taxicabs as defined in subdivision (c) of Section 27908.

(2) A vehicle having an unladen weight of over 7,000 pounds which is used in the transportation of property in the conduct of a business.

(b) Subdivision (a) does not apply to the following vehicles:

(1) A schoolbus.

(2) A motor vehicle used by a farmer exclusively in the transportation of his or her livestock, implements of husbandry, and agricultural commodities or in the transportation of supplies to his or her farm.

(3) A motor vehicle used by a resident farmer of this state to occasionally transport from the place of production to a warehouse, regular market, place of storage, or place of shipment the farm products of neighboring farmers in exchange for like services, farm products, or other compensation.

(4) A vehicle used in for-hire transportation which is subject to regulation by the Public Utilities Commission.

(5) A rented vehicle used for noncommercial transportation of property.

(c) The director shall establish the amounts which are determined adequate to cover damages resulting from the ownership or operation of a commercial vehicle or vehicles subject to this section arising by reason of personal injury to, or death of, any person or damage to property, or both. The director shall establish the amounts at levels equal to those prescribed by the Public Utilities Commission for owners and operators of for-hire vehicles subject to its jurisdiction and control.

(d) Proof of financial responsibility may be maintained by any of the following:

(1) Being insured under one or more motor vehicle liability policies against that liability.

(2) Obtaining a bond of the same kind, and containing the same provisions, as those bonds specified in Section 16434.

(3) By depositing with the department five hundred thousand dollars (\$500,000), which amount shall be deposited in a special deposit account with the Controller for the purpose of this section.

(4) Qualifying as a self-insurer under Section 16053.

(e) The department shall return the deposit made pursuant to paragraph (3) of subdivision (d) to the person entitled thereto when the owner is no longer required to maintain proof of financial responsibility as required by this section or upon the owner's death.

(f) An insurer, agent, or broker who has been incorrectly informed by an owner of a vehicle or his or her representative that the vehicle is 7,000 pounds or less unladen weight, or is incorrectly informed by the owner or his or her representative that the vehicle is exempt from the requirements of subdivisions (a) and (c) pursuant to the exemptions set forth in subdivision (b), may issue a policy of motor vehicle liability insurance in any amount less than that required by the director but not less than the amounts required under Section 16451. The policy of motor vehicle liability insurance when issued shall not be deemed to provide liability coverage amounts greater than that specifically set forth in the policy notwithstanding that the vehicle weighs in excess of 7,000 pounds unladen weight or is subsequently used in a manner which would have required the vehicle to be insured in the amounts established by the director pursuant to subdivision (c).

Amended Ch. 1157, Stats. 1989. Effective January 1, 1990.

Power of Local Authorities

16501. The provisions of this chapter shall not prevent local authorities, within the reasonable exercise of the police power, from adopting rules and regulations, by ordinance or resolution, licensing and regulating the operation of any vehicle for hire and the drivers of passenger vehicles for hire.

Amended Ch. 1554, Stats. 1965. Effective September 17, 1965.

Prohibited Use

16502. No owner shall use, or with his consent permit the use of, any vehicle used in the transportation of persons or property in the conduct of a business, without maintaining proof of financial responsibility as required by this chapter.

Amended Ch. 1157, Stats. 1989. Effective January 1, 1990.

Suspension of Registration

16503. The department shall suspend the registration of all vehicles used in the transportation of persons or property in the conduct of a business, except vehicles subject to regulation by the Public Utilities Commission, which are registered in the name of any person convicted of violating Section 16502 immediately upon receipt of a duly certified abstract of the record of the court in which the person was convicted.

The suspension shall remain in effect and no such vehicle shall be registered in the name of the person until he or she gives the department proof of his or her proof of financial responsibility as required in Section 16500.

Amended Ch. 1157, Stats. 1989. Effective January 1, 1990.

CHAPTER 6. INTERSTATE HIGHWAY CARRIERS

(Added Ch. 1279, Stats. 1969. Effective November 10, 1969.)

Interstate Highway Carriers

16560. (a) Any person or corporation who operates or causes to be operated on the highways of this state any motor vehicle in the interstate or foreign transportation of property, other than household goods, for compensation without having first complied with the requirements of paragraph (1) of subdivision (g) of Section 7232 of the Revenue and Taxation Code is guilty of a misdemeanor, and is punishable by a fine of not more than one thousand dollars (\$1,000), or by imprisonment in the county jail for not more than three months, or by both that fine and imprisonment.

(b) Any person or corporation who operates or causes to be operated on the highways of this state any motor vehicle in the interstate or foreign transportation of household goods or passengers for compensation without having first complied with the requirements of Chapter 1 (commencing with Section 3901) of Division 2 of the Public Utilities Code is guilty of a misdemeanor, and is punishable by a fine of not more than one thousand dollars (\$1,000), or by imprisonment in the county jail for not more than three months.

Amended Sec. 19, Ch. 1007, Stats. 1999. Effective January 1, 2000.